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RUEHC/DEPT OF LABOR WASHINGTON DC PRIORITY
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
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C O N F I D E N T I A L MANAGUA 000959

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TAGS: [PGOV](#) [PHUM](#) [ECPS](#) [ECON](#) [PAID](#) [NU](#)
SUBJECT: NICARAGUA'S INDEPENDENT RADIOS FACING POLITICAL AND ECONOMIC PRESSURE

REF: MANAGUA 626

Classified By: Ambassador Robert J. Callahan for reasons 1.4(b & d)

¶1. (SBU) Summary: Independent radio, like other independent media outlets, faces increasing political pressure from the Ortega government, including vandalism by Sandinista activists and revocation of broadcast licenses. This growing political pressure, combined with plummeting advertising revenue and a worsening economy, is forcing some stations to close or scale back operations. The Ortega government continues to use state advertising funds to award or punish media organizations and prevents independent radio outlets from access to official government events and briefings. A draft Law on Telecommunications may give the government greater authority and discretion to silence its critics on the radio, threatening the ability of average Nicaraguans to maintain access to information outside of official FSLN-backed media outlets. End Summary.

Political Pressure

¶2. (C) Radio remains the most significant source of news and information for the vast majority of Nicaraguans. According to Raul Obregon, president of Nicaragua's M&R Consultants, a leading polling firm, the majority of Nicaraguans get their news and information first from radio, and radio continues to enjoy high levels of public confidence. In rural locations, local independent radio is often the only source of information other than FSLN/government media outlets such as Radio Ya and television's Channel 4.

¶3. (C) Since it assumed power in 2007, the Ortega government has applied increasing political pressure to the country's independent media, particularly independent radio and appears to be increasing this pressure as it faces growing resistance to its political agenda. Until recently, the most common tool used by the government has been to deny media access to government events. For example, on August 27 independent media were excluded from a Health Ministry press conference on the H1N1 health emergency, preventing non-FSLN stations from carrying accurate reports on the status of H1N1 and safety measures. Similarly, independent media were excluded from recent meetings between the GoN and high-level USG officials in early September, including two meetings with President Ortega.

¶4. (C) Over the past several months, the Ortega government has become more aggressive in its efforts against independent radio. On June 19, go Economic Pressures

¶5. (C) In addition to the growing political pressure, Nicaragua's worsening economic situation has placed many radio stations in a precarious financial situation and has even forced some stations to close. In some instances, these financial problems are the direct result of GoN manipulation. Since the Ortega government assumed power, independent media have received a shrinking portion of state advertisement funds, which were previously a significant source of revenue for the stations. Most independent media groups have accepted that they will not receive any financial support from the government and no longer rely on this support, forcing them to seek advertising revenue in a shrinking economy. The Inter-American Press Association has described the Ortega administration's use of state advertising funds as a tool by which the government rewards media organizations that report favorably on government activities or punishes those critical of the government. Local media contacts estimate that the government spent an estimated \$10 million in advertising in 2008, nearly all of which was directed towards FSLN-owned or affiliated outlets.

¶6. (C) The lack of government advertising has not been the only source of economic pressure facing independent media. The loss of private sector advertising has hurt local, independent media the most. Nicaragua's weak economy together with the Ortega government's pressure on the private sector not to advertise or support media critical of his government has led many private businesses to limit their support to independent media. As a result of the drop in advertising, one of the largest independent radio stations, Radio Corporacion, has been forced to turn to fundraising campaigns, pleading with listeners to donate \$20 a month to "defend democracy." Radio Dario, operating since 1949, has registered losses every month since December 2008. Toruno fears the combined economic and political pressures threaten to shut down the radio's operations. He noted to us that several advertisers have been warned not to advertise on his station or face unwelcome tax investigations and other inspections by the GoN.

¶7. (SBU) Smaller, independent radio stations are even more vulnerable. In Puerto Cabezas, in the country's North

Atlantic Autonomous Region (RAAN), Radio Kabu Yula closed August 31 due to financial difficulties. A year ago the station relied on 15 private sponsors; a year later the station received support from only two sponsors. Also in Puerto Cabezas, Radio Caribe has been under great economic and political pressure. According to the radio's director, Kenny Lisby, the government unexpectedly raised the station's electricity bill 400 percent in 2009, in what he views as an effort to eliminate media critical of the government.

NEW LEGISLATION - AMPLE GROUNDS TO CLOSE STATIONS

¶8. (C) On September 29, the National Assembly's Infrastructure Committee announced the beginning of public consultations on a draft Law on Tel

¶9. (C) There is also concern that the draft legislation in the National Assembly could require new licenses to be awarded through an auction or tender process. Nicaragua's Union of Radio Stations (Union de Radiodifusoras, Unir) fears the intent of the draft law is to eliminate small, independent media organizations critical of the government. This fear is greatest among those whose licenses have recently expired and have been granted extensions only until the new telecommunications law comes into effect.

Comment

¶10. (C) Independent media in Nicaragua have been under attack since Ortega took office in 2007. The first two years of Ortega's administration saw political pressure as the main tool the governing FSLN applied to media critical of the government. Now Ortega is using Nicaragua's economic crisis to his advantage to apply even more pressure on independent media. This double-barreled attack has left Nicaragua's independent media, and particularly local radio stations, in a vulnerable position. Simply put, independent media, one of the remaining independent institutions in the country, are an endangered species in Nicaragua.

CALLAHAN